



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, DC 20350-2000

IN REPLY REFER TO

OPNAVINST 4000.35L
N441
3 December 1992

OPNAV INSTRUCTION 4000.35L

From: Chief of Naval Operations

Subj: U.S. NAVY PARTICIPATION IN THE NORTH ATLANTIC TREATY
ORGANIZATION (NATO) INFRASTRUCTURE PROGRAM

Ref: (a) NATO Document AC/4-M/206 "NATO Infrastructure Manual"
(NOTAL)

Encl: (1) DOD Directive 2010.5 of 24 Jun 92

1. Purpose. To define and outline the procedures used in the development of NATO infrastructure projects, and to distribute enclosure (1) for implementation by addressees.

2. Cancellation. OPNAVINST 4000.35K.

3. Background

a. Infrastructure is the term used by NATO to describe facilities, utilities, and fixed equipment required to support military force. The Infrastructure Program is a Military Facilities Program commonly financed by member nations. The program is limited by NATO criteria to projects for joint use or which are clearly accepted as being in the common interest.

b. NATO common infrastructure projects are those projects which conform to the following criteria:

(1) The installations, facilities, or buildings to be constructed are normally fixed, and are essential to train NATO forces or implement NATO operational plans.

(2) The installations, facilities, or buildings have a sufficient degree of common use or interest to the forces of more than one user nation. The NATO Common Infrastructure Program is composed of projects grouped into separate annual submissions by the Major NATO Commanders. These calendar year submissions are termed "slices" and are comparable to fiscal year military construction programs.



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(3) Construction costs associated with the program are paid collectively by member governments of NATO, based on an agreed cost share formula for each program year. After completion, NATO common infrastructure installations are normally operated and maintained by the host nation, with use nations being billed for a share of the annual maintenance and operation cost in proportion to usage. The amount of this share is stipulated in bilateral agreements, executed between the host and the user nations, regarding the control and operation of the facility.

(R)

4. Procedures. U.S. Navy participation in the NATO Infrastructure Program shall be governed by the procedures in reference (a).

(A)

5. Responsibilities. Responsibilities associated with U.S. Navy participation in the NATO Infrastructure Program are defined in enclosure (1). Additional responsibilities are assigned as follows:

a. Commander in Chief, U.S. Atlantic Fleet (CINCLANTFLT) and Commander in Chief, U.S. Naval Forces, Europe (CINCUSNAVEUR)

(1) Ensure that all projects and elements of projects eligible for NATO common funding are submitted via the Unified Commander into the NATO infrastructure cycle rather than into the Military Construction program, except when urgent need dictates prefinancing.

(2) Represent the U.S. Navy at Major Subordinate Commander regional screening conferences, joint formal acceptance inspections, maintenance and readiness inspections, and appropriate meetings with NATO authorities on infrastructure matters.

(3) Participate in NATO and Unified Commander infrastructure conferences, as appropriate.

(4) Negotiate and execute Chief of Naval Operations approved bilateral agreements with host countries.

(5) Conduct periodic inspections and audits to insure continuing compliance with departmental and Unified Commanders' regulations.

(6) Furnish comments and recommendations on NATO criteria and standards, as appropriate.

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(7) Fund appropriate U.S. Navy share of initial outfitting and annual operation and maintenance costs.

b. Commander, Naval Facilities Engineering Command
(COMNAVFACENGCOM)

(1) Carry out responsibility as host nation construction agent as assigned in enclosure (1).

(2) Participate in NATO and Unified Commander infrastructure conferences and status meetings, as appropriate.

(3) Provide assistance to Commander in Chief, United States Atlantic Command (USCINCLANT), CINCLANTFLT, CINCUSNAVEUR, and other Service component commands on matters dealing with U.S. Host Nation projects and other host nations proposals. (R)

(4) Assist USCINCLANT in tracking U.S. prefinanced projects and report on recoupment status, as appropriate. (A)

(5) Provide training to other Navy, Air Force, and Army components on NATO project implementation and financial and project status reporting procedures. (A)

(6) Furnish comments and recommendations on proposed NATO criteria and standards. (A)

c. Systems Commands

(1) Furnish comments and recommendations on proposed NATO criteria and standards.

(2) Assist COMNAVFACENGCOM in host nation role, as required.



S.F. LOFTUS
Deputy Chief of Naval
Operations (Logistics)

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Department of Defense DIRECTIVE

OPNAVINST 4000.35L
3 DEC 1992

June 24, 1992
NUMBER 2010.5

ASD(P&L)

SUBJECT: DoD Participation in the North Atlantic Treaty Organization (NATO)
Infrastructure Program

- References:
- (a) DoD Directive 2010.5, subject as above, March 19, 1985 (hereby canceled)
 - (b) North Atlantic Council Document AC/4D/2261, "Procedures for International Competitive Bidding for Commonly Financed NATO Infrastructure Works," April 1, 1987
 - (c) Federal Acquisition Regulation, current edition
 - (d) Defense FAR Supplement (DFARS), current edition
 - (e) through (i), see enclosure 1

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to:

1. Update policies governing DoD participation in the NATO Infrastructure Program.
2. Assign responsibilities and prescribe procedures for all aspects of DoD participation in the NATO Infrastructure Program.

B. APPLICABILITY AND SCOPE

This Directive applies to:

1. The Office of the Secretary of Defense (OSD), the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as "the DoD Components").
2. Military construction, equipment procurement, and other projects eligible for funding through the NATO Infrastructure Program.
3. The use of appropriated funds available to the Department of Defense for design, construction, procurement, operations, and maintenance.

C. DEFINITIONS

Terms used in this Directive are defined in enclosure 2.

D. POLICY

It is DoD policy that:

1. Facilities and equipment required to support U.S. NATO-assigned forces and NATO operational plans shall be funded, to the maximum extent possible, through the NATO Infrastructure Program.

Enclosure (1)

2. Infrastructure requirements shall be identified by the DoD Components and based on U.S. Defense Planning Guidance, NATO Ministerial Guidance, NATO force goals, force assignments as reflected in the U.S. response to the NATO Defense Planning Questionnaire (DPQ), and the Major NATO Commanders' (MNCs) long-term infrastructure plans.

3. The design and construction of U.S.-user infrastructure projects, including prefinanced projects, shall conform to the scope of established NATO criteria and standards. Exempt from that policy are those U.S. safety, environmental, and energy conservation requirements that exceed the NATO standard, but are mandated by U.S. laws or DoD Regulations.

4. The use of appropriated funds for the construction or procurement of a project that is eligible for NATO infrastructure funding (defined as "prefinancing") shall be limited to those projects that are of the highest operational priority and cannot be completed or acquired through the NATO Infrastructure Program in the time frame required by U.S. military commanders.

a. The U.S. Commander in Chief, Europe and the U.S. Commander in Chief, Atlantic shall notify the NATO Payments and Progress Committee of the U.S. intent to prefinance before contract award. NATO bidding and contracting procedures under North Atlantic Council Document AC/4D/2261 (reference (b)) shall be followed to ensure future recoupment where those procedures are consistent with the FAR and DFARS (references (c) and (d)).

b. NATO programing for the recoupment of a prefinanced project shall be submitted for inclusion in the next available NATO annual program. If NATO funds become available during project construction, U.S. funds shall be promptly deobligated.

c. Recoupment of all prefinanced projects shall be aggressively pursued by all commands. Complete records on all prefinanced projects shall be maintained until issuance and acceptance of a NATO audit report.

5. Precautionary prefinancing statements shall be submitted to the NATO Payments and Progress Committee for all projects that could become eligible for future NATO Infrastructure funding. NATO bidding and contracting procedures under reference (b) shall be used to protect future recoupment rights where those procedures are consistent with references (c) and (d).

6. When advantageous to U.S. interests, NATO Infrastructure funding shall be sought for new categories of infrastructure or expansions to existing criteria and standards. When the development of a new category or the expansion of criteria is not practical, as for a unique operational requirement, NATO funding should be pursued as a one-time exception to eligibility and criteria standards.

7. NATO international competitive bidding (ICB) procedures under reference (b) shall be used when the Department of Defense acts as a contracting agent for the NATO, when the contract reflects that agency relationship, and when NATO funds are used instead of U.S.-appropriated funds. References (c) and (d) shall apply when such regulations are consistent with NATO ICB procedures.

E. RESPONSIBILITIES

1. The Under Secretary of Defense for Acquisition shall:

a. Review all long-range planning, and direct the interface of the NATO Infrastructure Program with the U.S. Military Construction Program.

b. Coordinate with the Under Secretary of Defense for Policy on all policy matters for U.S. participation in the NATO Infrastructure Program.

c. Chair a NATO working group, composed of representatives from the appropriate OSD components, the Chairman of the Joint Chiefs of Staff, and the Military Departments, for coordinating all NATO Infrastructure-related matters and other U.S. facility requirements in the NATO theater.

d. Represent the Department of Defense as the principal delegate at all international conferences and meetings on the NATO Infrastructure Program.

e. In coordination with the U.S. Mission to NATO and the Comptroller of the Department of Defense (C, DoD) and, in accordance with DoD Instruction 7040.4 (reference (e)):

(1) Determine the level of annual funding required to meet U.S. obligations to the NATO Infrastructure Program.

(2) Prepare and submit the annual budget request.

(3) Support annual funding requirements before Congress.

f. In cooperation with the U.S. Mission to NATO and the Department of Commerce, promote increased participation in the NATO Infrastructure Program by U.S. companies.

2. The Under Secretary of Defense for Policy shall:

a. Develop all policy guidance on U.S. participation in the NATO Infrastructure Program.

b. Act as the principal point-of-contact (POC) with the Department of State for all infrastructure-related matters.

3. The Comptroller of the Department of Defense shall:

a. Establish the fiscal policies and procedures that govern U.S. participation in the NATO Infrastructure Program.

b. Coordinate preparation of the annual budget requirements for the U.S. contribution to the NATO Infrastructure Program with the Under Secretary of Defense for Acquisition and the U.S. Mission to NATO.

c. Act as the principal POC on all NATO infrastructure-related matters with the Office of Management and Budget.

4. The Chairman of the Joint Chiefs of Staff shall:

a. Provide recommendations on NATO infrastructure operational requirements and related matters to the Secretary of Defense.

b. Provide guidance on NATO operational requirements to the U.S. delegation to the NATO Military Committee; the U.S. Commander in Chief, Europe (USCINCEUR); and the U.S. Commander in Chief, Atlantic.

5. The Secretaries of the Military Departments shall:

a. Assign command responsibility for Service implementation of the NATO Infrastructure Program.

b. Coordinate NATO infrastructure planning with overall construction and equipment procurement planning in the NATO theater.

c. Plan and budget for the U.S. share of conjunctively funded projects and for costs incidental to the implementation of NATO-funded infrastructure projects.

d. Act for the NATO as a host-nation construction agent when required.

e. Comply with U.S. audit requirements in DoD Directive 7600.2 (reference (f)).

f. Comply with fund control requirements in DoD Directive 7200.1 and DoD 7220.9-M (references (g) and (h)).

6. The Secretary of the Army shall:

a. Develop the necessary systems to account for NATO Infrastructure funds, in accordance with the requirements of reference (g).

b. Submit a monthly report, "The Status of NATO Infrastructure Funds," to the USD(A); the C, DoD; and the U.S. Mission to NATO, in accordance with reference (h).

7. The Secretary of the Navy shall:

a. Act as the host-nation construction agent in the United States, Iceland, and Bermuda.

b. Request authorization to commit funds required for design and construction.

c. Design, construct, and begin joint formal acceptance inspections (JFAIs); correct deficiencies; and participate in NATO audits.

d. Report the progress and financial status of NATO projects, as required by the NATO, from project initiation through audit and issuance of a financial certificate.

e. Program for host-nation expenditures incidental to the execution of programed NATO projects.

8. The U.S. Mission to NATO shall:

a. Provide U.S. representation on NATO committees, make recommendations to the Secretary of Defense on NATO infrastructure policies and procedures, and coordinate the exchange of information between NATO organizations and U.S. Agencies.

b. Coordinate preparation of annual budget requirements for the U.S. share of the NATO Infrastructure Program with the USD(A) and the C, DoD.

c. Provide information and assistance to U.S. companies on NATO infrastructure bidding and contracting.

9. The U.S. Commander in Chief, Europe, and the U.S. Commander in Chief, Atlantic, shall:

a. Manage all aspects of command participation in the NATO Infrastructure Program. Based on program guidance in sections D., above, and F., below, and provide policy, planning, and project implementation direction consistent with the Department of Defense guidance to appropriate theater component commands and other DoD Components.

b. Maintain direct liaison with the NATO military commanders and host nations on all NATO infrastructure-related matters. As required, provide representation at all NATO infrastructure conferences and meetings.

c. Develop long-range infrastructure plans and ensure the timely inclusion of U.S. requirements into the major NATO commanders long-term infrastructure plans and into appropriate annual programs.

d. Develop integrated priorities for all U.S. infrastructure requirements.

e. Review all DoD Components' requests for prefinancing. Promote an aggressive program to recoup funds.

f. Monitor program execution to ensure the timely implementation of U.S. -user projects.

g. Organize and conduct annual infrastructure planning conferences for U.S. personnel.

h. Provide training on NATO infrastructure planning, programing, and project implementation for U.S. component commands.

i. Submit reports as required in section G., below.

F. PROCEDURES

U.S. participation in the NATO Infrastructure Program shall be governed by the procedures in NATO Document AC/4-M/206 (reference (i)), and as augmented by the DoD Components.


G. INFORMATION REQUIREMENTS

1. The Army shall submit the monthly "Status of NATO Infrastructure Funds Report," Report Control Symbol (RCS) DD-MIL(M)1672, in accordance with DoD Directive 7200.1 (reference (g)).

2. The USCINCEUR shall submit the quarterly "NATO Infrastructure Prefinancing and Recoupment Status Report," RCS DD-MIL(Q)1673.

H. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward one copy of implementing documents to the USD(A) within 120 days.



Donald J. Atwood
Deputy Secretary of Defense

Enclosures - 2

1. References
2. Definitions

Jun 24, 92
2010.5 (Encl 1)

REFERENCES, continued

- (e) DoD Instruction 7040.4, "Military Construction Authorization and Appropriation," March 5, 1947
- (f) DoD Directive 7600.2, "Audit Policies," February 2, 1991
- (g) DoD Directive 7200.1, "Administrative Control of Appropriation," May 7, 1984
- (h) DoD 7220.9-M, "Department of Defense Accounting Manual," October, 1983, authorized by DoD Instruction 7220.9, October 22, 1981
- (i) NATO Document AC/4-M/206, "NATO Infrastructure Manual," July, 1989

DEFINITIONS

1. Conjunctive Funding. The use of U.S.-appropriated funds for those parts of a project that exceed NATO criteria and are not eligible for NATO funding.
2. Criteria and Standards. Guidelines used in the design and construction of NATO infrastructure projects.
3. Defense Planning Questionnaire (DPO); U.S. Response To: Notification to the NATO of the U.S. forces, weapons systems, and equipment that will be assigned to the NATO. Response is a 6-year projection of force assignments and includes beddown locations and initial deployment areas for U.S. NATO-assigned reinforcement forces.
4. Eligibility. Categories and types of projects that the NATO allies have agreed will be funded through the NATO Infrastructure Program. Currently, 14 categories of infrastructure are eligible for NATO funding: "Airfields," "Ammunition Storage," "Anti-ship Warning Systems," "Communications," "Forward Storage Sites," "Naval Bases," "Navigation Aids," "Petroleum-Oil-Lubricants," "Reinforcement Support," "Surface-to-Air Missiles," "Surface-to-Surface Missiles," "Training Installations," "War Headquarters," and "Warning Installations."
5. Host Nation. The nation on whose territory a NATO infrastructure project is located or will be constructed. As an exception, the United States acts as the host nation for infrastructure project implementation in Bermuda and Iceland. For certain projects that are theater-wide in scope, a NATO Agency or a MNC may act as the host nation. As an agent for the NATO, the host nation has the responsibility for design, contracting, and project implementation.
6. Infrastructure. The term used for buildings, pavements, piers, and other fixed facilities or structures. It has been expanded to include certain mobile projects (e.g., radars and mobile war headquarters) and equipment essential to NATO operations and war plans (e.g., communications and automatic data processing equipment).
7. Infrastructure Payments and Progress Committee. The NATO committee responsible for budgetary control and fund authorization.
8. International Competitive Bidding (ICB). NATO procedures under North Atlantic Council Document AC/4D/2261 (reference (b)) that mandate competitive bidding for infrastructure contracts. Competition is restricted to participating NATO nations. Waivers to the ICB must be approved by the Payments and Progress Committee.
9. Joint Formal Acceptance Inspection (JFAI). The final inspection of a completed NATO project to ensure compliance with the approved scope and fund authorization.
10. Major NATO Commander (MNC). The three senior NATO Military Commanders in the NATO theater are, as follows:

a. The Supreme Allied Commander, Europe. Area of responsibility is Continental Europe and the United Kingdom.

b. The Supreme Allied Commander, Atlantic. Area of responsibility is the Atlantic Ocean area including Canada, the United States, Iceland, Portugal, and certain maritime bases in the United Kingdom, Norway, Denmark, Netherlands, and Belgium.

c. The Commander in Chief, Channel. Area of responsibility is the English Channel area.

11. NATO-Assigned Forces. Forces that allied nations have agreed to place under the operational command or control of a NATO commander at a specific time or stage of NATO alert.

12. Precautionary Prefinancing Statement. A notification of intent to prefinance a project that is not eligible for NATO funding. Those notifications are submitted for projects that might be candidates for future NATO funding. The procedure preserves the future right to recoup funds if the project becomes eligible.

13. Prefinancing. The use of U.S.-appropriated funds for the acquisition of a project that is eligible for NATO infrastructure funding.

14. Prefinancing Statement. A formal notification to the NATO that the United States intends to use U.S.-appropriated funds to finance a NATO infrastructure project, before its inclusion in an annual infrastructure program. If notification is made before contract award, and NATO bidding and contracting procedures are followed, the United States reserves the future right to recoup those funds.

15. Recoupment. NATO reimbursement of U.S. funds previously used to prefinance an infrastructure project.

16. The U.S. Mission to NATO. The Office of the U.S. Ambassador to the NATO at NATO Headquarters, Brussels, Belgium.